

Message Text

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ACTION EUR-12

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SUBJECT: COMPUTER SYSTEMS FOR STATE PLANNING COMMISSION AND CENTRAL
BANK

REF: A) SOFIA A-27; B) SOFIA 1062

1. VICE PREMIER LUKANOV'S REFERENCE TO COMPUTERIZATION OF
ECONOMIC DATA (REF A) PROVIDED OPPORTUNITY FOR AMBASSADOR TO
RAISE THE PENDING QUESTION OF TWO APPARENTLY VALID CONTRACTS
(SPERRY UNIVAC AND BURROUGHS) FOR THE STATE PLANNING COMMISS-
SION AND CENTRAL BANK (REF B). LUKANOV SAID IN BULGARIAN
OPINION THERE IS ONLY ONE VALID CONTRACT, THAT WITH SPERRY.
"BURROUGHS HAVE TRIED TO SPECULATE BY PRESENTING POSITION
THAT THEY HAVE AN EXPORT LICENSE, BUT LICENSES SHOULD NOT BE
USED TO FAVOR ONE COMPANY OVER ANOTHER."

2. AMBASSADOR SAID USG HAS ACTED IN GOOD FAITH. IT IS NOT
OUR POLICY TO ISSUE MORE THAN ONE LICENSE FOR ONE TRANSACTION.
BURROUGHS CLAIM THEY HAVE A VALID CONTRACT AND ARE PREPARED
TO GO TO ARBITRATION, OR TO COURT, TO MAKE THEIR CASE. IT
WOULD BE IN BULGARIAN INTEREST TO SORT THINGS OUT AND
IN FIRST INSTANCE TO TALK WITH BURROUGHS. LUKANOV
SAID IN SITUATIONS OF THIS KIND IT IS BEST FOR FOREIGN
GOVERNMENTS TO STAND ASIDE: "IF WE HAVE ANY OBLIGATIONS
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TO BURROUGHS WE WILL OF COURSE MEET THEM."

3. LUKANOV INSISTED THAT IT IS STANDARD BULGARIAN PRACTICE
NOT ONLY TO NEGOTIATE BUT ALSO TO SIGN CONTRACTS WITH MORE
THAN ONE COMPANY, AND THAT "FINAL APPROVAL" OF THE PRE-
FERRED CONTRACT THEN DETERMINES WHICH COMPANY GETS THE
BUSINESS. IN THE CASE OF THE COMPUTER DEAL, SPERRY HAD

OFFERED "BETTER COMMERCIAL CONDITIONS" WHICH INCLUDE COOPERATION INTO THE FUTURE, AND GOB THEREFORE PREFERS TO DEAL WITH SPERRY.

4. IF THE MATTER IS NOT RESOLVED SOON, LUKANOV SAID, THERE IS "DANGER THAT WE WILL PROCURE THE COMPUTERS FROM ANOTHER COUNTRY." AMBASSADOR SAID THIS WOULD SEEM UNLIKELY SINCE WHEN IT COMES TO COORDINATION OF LICENSES THE US WOULD BE ABLE TO PROVE THAT IT HAD AT LEAST ONE PRIOR VALID CONTRACT. LUKANOV THEN SAID THAT PERHAPS THE BULGARIAN PROCEDURE OF SIGNING MORE THAN ONE CONTRACT FOR ONE BUSINESS DEAL MIGHT ALSO HAVE DISADVANTAGES ("ALTHOUGH IT IS WELL-KNOWN AND SHOULD THEREFORE HAVE SURPRISED NO ONE"), AND WHEN HE RETURNS FROM LEAVE ON LAKE BAIKAL HE WOULD SEE IF GOB COULD "CONTINUE" ITS TALKS WITH BURROUGHS TO MAKE IT EVEN CLEARER THAT ONLY ONE AMERICAN FIRM HAS THE COMPUTER CONTRACT. HERZ

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